

## Message Text

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ACTION ARA-10

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E.O. 11652: N/A

TAGS: PINT, VE

SUBJECT: CARLOS ANDRES PEREZ AND ROMULO BETANCOURT WARN ACTION  
DEMOCRATICA ON DANGERS OF CORRUPTION

BEGIN SUMMARY: PRESIDNET CARLOS ANDRES PEREZ AND EX-PRESIDENT ROMULO BETANCOURT TOLD THE NATIONAL DIRECTIVE COMMITTEE OF THE RULING ACCION DEMOCRATICA (AD) PARTY OVER THE PAST WEEKEND THAT MEASURES WERE NEEDED TO ENSURE HONESTY IN PUBLIC ADMINISTRATION. THE DIRECTIVE COMMITTEE AGREED TO ESTABLISH A COMMISSION ON ETHICS AND FIGHT CORRUPTION. THE COMMITTEE ALSO ENDORSED PEREZ' PLANS FOR NATIONALIZING THE IRON ORE AND PETROLEUM INDUSTRIES, RECOMMENDED ESTABLISHMENT OF DIPLOMATIC AND COMMERCIAL RELATIONS WITH CUBA, AND TOOK VARIOUS INTERNAL PARTY ACTIONS. END SUMMARY.

1. AD'S NATIONAL DIRECTIVE COMMITTEE HELD A MEETING IN CARACAS THE WEEKEND OF NOVEMBER 29-DECEMBER 1. IN A DRAMATIC REPORT TO THE DELEGATES, PEREZ CALLED FOR A DETERMINED STRUGGLE AGAINST CORRUPTION IN GOVERNMENT, INCLUDING FIRM PUNISHMENT OF OFFENDERS. HE CITED SPECIFIC (BUT MINOR) EXAMPLES OF CORRUPTION IN THE PREVIOUS COPEI ADMINISTRATION'S MINISTRIES OF AGRICULTURE AND PUBLIC WORKS. IN A BRIEF "MESSAGE OF GREETING" TO THE DELEGATES, BETANCOURT WARNED THAT IF ACCION DEMOCRATICA DOES NOT ADMINISTER PUBLIC FUNDS WITH HONESTY AND INTEGRITY, IT WOULD LOSE PUBLIC SUPPORT AT THE POLLS. BETANCOURT CALLED FOR THE CREATION OF A  
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COMMITTEE OF PARTY ETHICS, MADE UP OF MEN WELL KNOWN FOR THEIR

HONESTY AND CHARACTER.

2. ON FOREIGN RELATIONS, BETANCOURT CALLED FOR SUPPORT OF "REALISTIC" POLICIES, SUCH AS THOSE FOLLOWED BY PEREZ. HE CRITICIZED SOME AD MILITANTS AS SOMETIMES BEING MORE RADICAL IN THEIR PUBLIC STATEMENTS THAN THE FAR LEFT PARTIES, PARTICULARLY ON THE ISSUE OF NATIONALIZATION OF IRON ORE AND PETROLEUM. HE ALSO INTIMATED THE NEED FOR A SOBER, RESPONSIBLE AND NON-INFLAMMATORY POLICY TOWARDS THE U.S., NOTING THAT "EVEN IF THE ELEPHANT IS A FRIEND, HE CAN HAVE A NIGHTMARE AND MOVE HIS FOOT AND CRUSH US."

3. THE DIRECTIVE COMMITTEE RESPONDED TO THESE STRICTURES BY ESTABLISHING A PARTY COMMITTEE ON ETHICS AND VOWING STRONG REMEDIES TO COMBAT CORRUPTION. THE COMMITTEE ALSO APPROVED A RESOLUTION STRONGLY SUPPORTING PRESIDENT PEREZ' POLICIES CONCERNING NATIONALIZATION OF THE PETROLEUM AND IRON ORE INDUSTRIES AND CALLING FOR A CAMPAIGN TO INFORM THE PARTY RANK-AND-FILE OF THE CHARACTER OF THESE POLICIES. ON CUBA, THE COMMITTEE SUPPORTED THE GOV'S POSITION AT THE QUITO MEETING AND RECOMMENDED RESUMPTION OF DIPLOMATIC AND COMMERCIAL RELATIONS WITH HAVANA, WHILE MAKING IT CLEAR THAT THE TIMING OF SUCH AN ACTION SHOULD BE LEFT TO PRESIDENT PEREZ.

4. WHILE SUPPORTING PRESIDENT PEREZ, THE DIRECTIVE COMMITTEE ALSO MADE PLAIN ITS DESIRE FOR FULLER CONSULTATIONS WITH THE GOVERNMENT. TO HELP AVOID INTRA-PARTY FRICTIONS, THE DIRECTIVE COMMITTEE AGREED AT THIS TIME TO PROHIBIT INTERNAL CAMPAIGNING WITHIN THE PARTY FOR SELECTION OF CANDIDATES FOR THE 1978 ELECTIONS. THE COMMITTEE PLEDGED "CORDIAL" RELATIONS WITH THE OTHER VENEZUELAN POLITICAL PARTIES ON MATTERS OF "HIGH NATIONAL INTEREST". THE COMMITTEE ALSO RECOGNIZED THE EXISTENCE OF SERIOUS PROBLEMS OF INFLATION AND UNEMPLOYMENT AND URGED THE GOV TO GIVE THESE ISSUES TOP PRIORITY.

5. AT A CABINET MEETING ON DECEMBER 3, PRESIDENT PEREZ FIRMLY ENDORSED THE GOVERNMENT'S ANTI-CORRUPTION CAMPAIGN, AND THE MINISTERS ARE SCHEDULED TO EXAMINE THIS PROGRAM CAREFULLY AT A MEETING ON DECEMBER 4. FOLLOWING THE DECEMBER 3 MEETING WITH PEREZ, INTERIOR MINISTER PINERUA ORDAZ STATED THAT "THE GOVERNMENT LIMITED OFFICIAL USE

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IS DETERMINED TO TAKE ALL CHARGES OF CORRUPTION TO THE COURTS".

6. COMMENT: PEREZ' DRAMATIC REPORT TO AD ON CORRUPTION REFLECTS HIS LONGSTANDING SENSITIVITY TO THIS PROBLEM. BOTH HE AND BETANCOURT SEEM GENUINELY CONCERNED THAT CORRUPTION, WHICH VENEZUELA'S MUSHROOMING WEALTH MAKES MORE DIFFICULT TO CONTROL THAN EVER BEFORE, COULD VITIATE THE GOV'S PROGRAMS AND LEAD TO POLITICAL DISASTER FOR AD. EVEN THOUGH BETANCOURT HAS MADE

CLEAR THAT HE DOES NOT PLAN TO RE-ENTER ACTIVE POLITICS, HIS  
INFLUENCE OVER THE PARTY REMAINS STRONG. THUS FAR BETANCOURT  
SEEMS TO BE DIRECTING HIS EFFORTS TOWARDS SETTING A HIGH MORAL  
STANDARD FOR THE PARTY, QUIETLY IMPROVING RELATIONS WITHIN AND  
BETWEEN AD AND OTHER POLITICAL PARTIES, AND ADVOCATING A REALISTIC  
VENEZUELAN FOREIGN POLICY.  
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